



CENTRAL INTELLIGENCE AGENCY

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12 December 1985

Mr. Arnaud de Borchgrave
Editor-in-Chief
THE WASHINGTON TIMES
3600 New York Avenue, N.E.
Washington, D.C. 20002

Dear Mr. de Borchgrave:

THE WASHINGTON TIMES' 12 December front page story on CIA General Counsel Stanley Sporkin misquotes me. THE TIMES claims I "said that no letter had been sent on the subject of the Justice Department's prosecution of Mr. Waterman, but would not say whether the Justice Department sought to prosecute a senior CIA official." What I actually told TIMES' writer, Mr. Gertz, was that "the Agency received no letter from the Department of Justice which said it was going to prosecute Mr. Waterman."

It would be helpful if Mr. Gertz would get his facts straight.

Sincerely,

A handwritten signature in cursive script, reading "George V. Lauder".

George V. Lauder
Director, Public Affairs

ARTICLE APPEARED
ON PAGE 1AWASHINGTON TIMES
12 December 1985

Panel vote expected today on Sporkin judgeship

By Bill Gertz
THE WASHINGTON TIMES

The Senate Judiciary Committee investigation into charges that CIA General Counsel Stanley Sporkin shielded a senior CIA official from a Justice Department espionage prosecution is expected to end today with a committee vote on Mr. Sporkin's nomination to a federal judgeship.

The controversial nomination has been held up for 18 months during an investigation of allegations of improprieties relating to Mr. Sporkin's role in a CIA investigation of a leak.

The only open hearing on the nomination revealed Tuesday that Mr. Sporkin was involved in a dispute between the CIA and the FBI, and that both agencies had delayed giving details of the investigation to committee investigators.

Sen. Jeremiah Denton, Alabama Republican, told the hearing that he had become Mr. Sporkin's primary antagonist in the affair because of "missives" from FBI officials who sought to challenge Mr. Sporkin's nomination. Mr. Denton heads a Judiciary subcommittee on security and terrorism that oversees FBI activities.

Mr. Denton said in an interview Tuesday the investigation into the nomination has produced numerous "sworn contradictory statements," that may involve perjury.

According to congressional sources close to the investigation, FBI officials oppose the nomination because, they say, Mr. Sporkin blocked a Justice Department espionage investigation of a senior CIA intelligence officer that began in July 1982 and ended with the resignation of Charles E. Waterman, a

CIA national intelligence officer for Middle East affairs.

The congressional sources, who requested anonymity, provided the following account of the dispute between the FBI and CIA, which has been verified independently by other sources close to the investigation:

The investigation began when the National Security Agency obtained electronic intercepts that indicated data from an internal CIA publication relating to Middle East sources had been passed to a Washington research center and published in the center's monthly newsletter.

The Justice Department then ordered an FBI investigation into the leak and traced its source to Mr. Waterman, the CIA's top Middle East affairs intelligence analyst.

In the spring of 1984, this account goes, Mr. Waterman's attorney, Seymour Glanzer, called the FBI's Washington field office and told FBI agents that Mr. Sporkin had arranged for him to provide *pro bono* legal counsel for Mr. Waterman. Mr. Glanzer told the FBI agents that the leak of classified information had been authorized by CIA officials. Therefore, Mr. Waterman had violated no laws regarding the disclosure of classified information.

Mr. Glanzer has said he did not provide free legal services to Mr. Waterman, but would not say how much Mr. Waterman paid him for his services.

The FBI reply to Mr. Glanzer was that the investigation could be concluded if he could produce an affidavit from the CIA saying the leak had been authorized.

Deputy CIA Director John McMahon refused to authorize an official CIA statement on the disclosure of the secret data.

Mr. Glanzer then called the FBI and arranged a meeting, which was attended by Mr. Sporkin, Mr. Waterman and CIA Deputy Director for Intelligence Robert Gates.

The meeting was called to dispel the allegation that Mr. Waterman had disclosed information without authorization, without an affidavit from the CIA.

Instead, the meeting prompted a letter from William French Smith, then the U.S. attorney general, to CIA Director William Casey, warning that the Justice Department might prosecute Mr. Waterman on espionage charges unless the CIA took action.

CIA spokesman George Lauder said no letter had been sent on the subject of Justice Department prosecution of Mr. Waterman, but he would not say whether the Justice Department sought to prosecute a senior CIA official.

Mr. Waterman left the agency in late 1984 and now works as a foreign policy consultant.

Mr. Sporkin, who has previously said he was carrying out his responsibility as CIA general counsel in notifying Mr. Waterman to obtain legal counsel, could not be reached for comment.

The FBI also opposes the Sporkin nomination because they believe Mr. Sporkin would favor the CIA as the presiding judge of the Foreign Intelligence Surveillance Act (FISA) court, congressional sources say.

With his CIA experience, Mr. Sporkin as a judge would be a prime candidate to head the seven-judge panel when the term of the presiding judge ends in 1989, the sources said.

The FISA court was established by the 1978 act to authorize wiretaps and other electronic surveillance techniques by the FBI and the National Security Agency. Judges are appointed to a single seven-year term by Chief Justice Warren Burger.